

EXHIBIT

DATE

4/3/13

173

Effective Date	Class Code #0006 Agriculture	Class Code #2702 Logging	Class Code #7219 Trucking	Class Code #8393 Auto Repair
7/1/1980	\$5.95	\$18.85	\$7.00	\$1.60
7/1/1981	\$7.50	\$19.85	\$8.00	\$2.30
7/1/1982	\$6.95	\$19.55	\$8.55	\$2.45
7/1/1983	\$7.70	\$20.35	\$8.60	\$2.55
7/1/1984	\$8.35	\$21.65	\$9.25	\$2.80
1/1/1985	\$9.60	\$24.90	\$10.64	\$3.22
7/1/1985	\$9.76	\$29.60	\$10.95	\$3.19
7/1/1986	\$10.40	\$26.00	\$11.86	\$3.80
7/1/1987	\$11.38	\$34.39	\$14.80	\$4.30
7/1/1988	\$10.21	\$38.22	\$16.59	\$3.85
7/1/1989	\$10.35	\$36.82	\$13.03	\$3.73
7/1/1990	\$12.87	\$37.73	\$16.65	\$4.71
7/1/1991	\$14.77	\$43.30	\$19.11	\$5.32
1/1/1992	\$16.76	\$45.71	\$25.01	\$7.14
7/1/1992	\$17.60	\$48.00	\$26.26	\$7.50
1/1/1993	\$18.93	\$48.88	\$23.94	\$9.31
7/1/1993	\$17.43	\$45.84	\$24.31	\$7.92
7/1/1994	\$16.32	\$44.46	\$16.29	\$6.22
7/1/1995	\$13.76	\$34.54	\$12.45	\$4.50
7/1/1996	\$13.52	\$31.66	\$10.14	\$3.93
7/1/1997	\$13.84	\$29.49	\$10.47	\$3.90
7/1/1998	\$14.01	\$28.25	\$10.87	\$4.27
7/1/1999	\$13.23	\$30.68	\$12.05	\$4.85
7/1/2000	\$13.05	\$30.83	\$12.99	\$4.57
7/1/2001	\$12.27	\$31.94	\$13.48	\$5.14
7/1/2002	\$12.81	\$35.88	\$15.16	\$4.57
7/1/2003	\$15.68	\$31.84	\$17.35	\$4.43
7/1/2004	\$16.17	\$30.07	\$17.97	\$3.93
7/1/2005	\$17.37	\$29.50	\$18.14	\$4.77
7/1/2006	\$17.28	\$27.71	\$16.81	\$4.39
7/1/2007	\$17.31	\$28.68	\$14.78	\$4.03
7/1/2008	\$16.92	\$23.87	\$13.40	\$3.29
7/1/2009	\$15.02	\$27.94	\$11.42	\$3.51
7/1/2010	\$11.11	\$24.35	\$8.87	\$2.82
7/1/2011	\$11.56	\$25.43	\$8.76	\$2.64
7/1/2012				

Expend

196
720
1035

May 1990

The Independent Record, Helena, Mont., Tuesday, May

Inside

COMICS
CLASSIFIED

OPINIONS

Workers' compensation solution is too costly

Legislators convened in Helena Monday for a special session to consider, among other things, reforming the beleaguered workers' compensation fund.

The work-comp insurance fund has an unfunded liability of \$207 million. The unfunded liability is the amount of money that the fund is short to guarantee payment of all outstanding claims filed by injured workers whose employers are insured by the state.

A bill being considered during the special session to revamp the work-comp fund includes both a short- and a long-term goal.

The short-term goal is to head off a premium increase on July 1 that would average 24 percent and a 19 percent average increase in 1991.

The long-term goal is to refinance the unfunded liability.

Contrary to what many people might think, the work-comp deficit is not something that has been growing over a long period of time.

It's taken a mere five years to create the current mess.

The state-run program had been operating in the black until 1985 when a \$29.3 million unfunded liability turned up. It soared to \$81 million in 1986; \$149.2 million in 1987; \$157 million in 1988; \$217 million as of mid-1989; then dropped to \$197 million in March. Now, we're told, the unfunded liability is

\$207 million.

Trying to nail down the deficit is like trying to catch the wind — it changes constantly.

The state-run fund is the insurer of last resort. It writes most of the high-risk business in the state and insures 26,000 employers.

A political and economic decision was made in the mid-'80s to keep rates artificially low to keep businesses in Montana and/or not drive them out of business.

But the skyrocketing deficit has resulted in substantial premium increases in recent years that has exacerbated the situation.

The proposed long-term solution to this dilemma is to separate all estimated claims for injuries which occurred prior to July 1, 1990, from those which will occur after July 1, 1990. The State Compensation Mutual Insurance Fund would set insurance rates and collect premiums sufficient to pay all new claims incurred after July 1, 1990. It would not be responsible for raising revenue, through insurance rates, to pay any claims which occurred prior to July 1, 1990.

The proposed legislation authorizes the state to sell \$220 million in bonds to get the money necessary to pay off the unfunded liability.

According to a spreadsheet prepared by the office of the legislative auditor, \$150 million in bonds would be sold in 1991; \$35 million in 1994; and another \$35 million in 1997.

The current payroll tax of 0.3 per-

cent, which is due to expire June 30, 1991, would be reduced two-one hundredths of a percent to 0.28 percent July 1, 1991.

Initially, the tax will raise an estimated \$12.5 million a year. It will be paid by all employers, whether they are insured by the state fund or not.

The 44 self-insured employers, with a payroll of more than \$700 million a year, will pay about \$2 million a year. The 4,915 companies that have private insurance will pay about \$4 million a year and the 26,000 employers who are insured by the state will pay about \$6.5 million a year.

Every time an employer grants employees a pay raise the employer will pay more in payroll taxes to workers' comp. So, employers will pay much more than an average \$12.5 million a year over the 30 years the tax is in effect.

In fact, the payroll tax will average \$22 million a year over the 30 years it is in effect.

The special payroll tax would be in effect for 30 years. The bonds are required to be repaid by July 1, 2020.

The 30-year figures are staggering.

According to the legislative auditor's spreadsheet, employers will pay a total of \$662.9 million over the 30-year life of the bond issue; total unfunded liability payments will be \$375.4 million; and projected debt service expenses will total \$586.1 million.

An acknowledged expert on workers' compensation was dumbfounded when he was presented with the auditor's

spreadsheet. "This is like a guy in a trench who wants to get out, but he just keeps digging the trench deeper," he said.

We have been critical of the Legislature for using short-term solutions to balance the state budget, but we think a short-term solution should be considered at this time.

During the 1989 legislative session lawmakers appropriated \$20 million to avoid an average 22 percent work-comp rate increase that was due to go into effect on July 1, 1989.

As a result of that appropriation, money from the 0.3 percent payroll tax, premium and investment income it is estimated the fund will end the fiscal year on June 30 with a positive balance of \$21.5 million.

In the short term, a business with positive cash flow may be considered solvent.

It is projected that the cash flow for fiscal year 1991 will be negative by more than \$5 million.

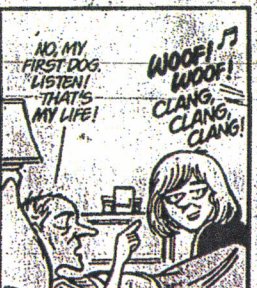
An appropriation of \$5 million to the state fund to assure a positive cash flow without a rate increase on July 1990 would be a temporary solution to the problem.

In our view, government and business needs more time to examine the bonding program and other alternatives and it's going to take more time and consideration than is possible in this special legislative session.

A quick fix will provide that time. Now is not the time to deepen the ditch.

AN IR VIEW

DOONESBURY



OTHER EDITORS SAY

The smoking debate heats

Akron (Ohio) Beacon Journal

The Environmental Protection Agency has fanned the flames of the smoking debate with a comprehensive study on the hazards of secondhand cigarette smoke.

The study is about what you would expect: People who don't smoke themselves but are exposed to cigarette smoke are at a greater risk of dying from cancer or other smoking-related diseases.

The EPA draft report attributes 8,000 deaths annually to cancer caused by secondhand smoke. Other illnesses cause more deaths of smokers are a particular concern.

Reaction to this news also was predictable. The tobacco industry said the study proved nothing. A Philip Morris official said the

Stacey has sued the state Department of Administration and the State Compensation

the state decided to hire Wang Laboratories, the computer system's manufacturer. Wang

Workers' compensation deficit rises

By The Associated Press

The state Workers' Compensation Fund's projected deficit has bounced upward by another \$10 million because of a recent Montana Supreme Court decision, state officials say.

A report by actuary C&B Consulting Group of San Francisco said the "unfunded liability" of the fund will reach \$207 million by June 30 — a \$10 million jump from projections at the end of March.

Patrick Sweeney, president of the State Compensation Mutual Insurance Fund, said the jump is linked to a Supreme Court decision in March that struck down a portion of the 1987 law that reformer workers' compensation in Montana.

"The court decision had a \$10 million impact," he said late last week.

The state work-comp fund's deficit is one of several problems the Legislature will be addressing during a special session that begins Monday.

Sweeney, who hailed the March projection as an indicator that the ballooning work-comp debt was finally on its way down, said projecting the unfunded liability is like a "moving target."

Russian filmmakers



TOURING HELENA — Russian filmmakers Gleb and Igor Aleinikov, left, explore downtown Helena last week. The Russians were in town to present "Red Fish in America," — a program of

Russ Story guide photo

Hagler-Anderson Mortuary

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BAARSON, William W., age 64, of 1535 Broadwater Circle. Chapel services will be today at 11 a.m. at the Hagler-Anderson Chapel, with the Rev. Loren S. Foot officiating. Military graveside services will be at the state Veterans' Cemetery, Ft. Harrison. Cremation has taken place.

MACKIN, Eugene L., age 65 of 6506 Canyon Ferry Road. Church service Tues. at 11:30 a.m. at St. Paul's United Methodist Church, the Rev. Dave Orendorf officiating. Family prefers memorials to the dialysis unit at St. Peter's Hospital or the Hospice of St. Peter's, 2475 Broadway, Helena, or to St. Paul's Methodist Church.

Rural nurses war

Compare disease to plague

KALISPELL (AP) — The deadly disease of AIDS can strike those living in rural areas just as easily as it can those in cities, a speaker at the fifth annual Rural Nurse Organization's conference said here last weekend.

The conference drew about 135 people from the Pacific Northwest.

Linda Paulsen, a nurse from Spokane, Wash., compared AIDS, or acquired immune deficiency syndrome, with other epidemics in the past — including the bubonic plague of the 1300s.

She said that disease "was often described as God's punishment for the moral depravity of its generally poor and disadvantaged victims. Sound a little familiar?"

"This (AIDS) is an epidemic that thrives on discrimination," she said. "It's important for us to do this one differently. It's going to be part of all of our lives."

In rural America, envisioning a relative or neighbor with AIDS takes an active imagination, she said, because the majority of the AIDS cases so far have been in the cities.

But, she noted, there have been several cases of AIDS in Flathead County, and a statewide AIDS hotline reports there have been 58 cases and 37 AIDS

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Workers' comp bill Vote-off likely

By BOB ANEZ
Associated Press Writer

A special session of the Legislature was headed for a showdown over how to deal with a state workers' compensation insurance program and its financial problems. Senate committee Wednesday heard three bills offering various options and passed only one. Action on the other two measures, considered the more viable alternatives, is scheduled for today as the session begins its fourth day. Measure supported by the business community as a temporary answer to the program's lack of money to cover outstanding claims of injured workers is expected to be sent to the Senate floor and eventually the House.

It's
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nd Aids.

There the bill will be "dead on arrival," said the sponsor of a competing proposal already passed by the House. However, sources said the House bill has no chance in the Senate, and that sets the stage for confrontation over the two measures. The proposals address a potential deficit facing the State Compensation Mutual Insurance Fund estimated at \$207 million. A 24 percent increase in premiums is scheduled to take effect July 1 for the 27,000 employers covered by the program. House Bill 2, sent to the Senate on a 79-21 vote, calls for separating that red ink from the fund July 1 and issuing up to \$220 million in tax-exempt bonds over the next 30 years to erase the deficit. The bonds would be paid off with money from an employer tax of 28 cents for every \$100 of payroll. Supporters said the proposal provides a permanent answer to the money shortage and prevents the big premium increase. Critics said the 30-year plan is too long and costly. Nearly half of the \$3 million in tax revenue would be used to pay interest costs. Rep. Chuck Swysgood, R-Dillon, suggested the Senate Labor and Employment Relations Committee consider a change that would use a slightly higher tax rate and reserve funds in the insurance program to pay off the bonds in 15 years. The idea would cut the price of the bill by 20 million, he said. The bill by Rep. Bill Glaser, R-Billings, is opposed by business leaders who said the employer tax is unfair to those businesses that don't use the state fund.

"We do not believe this bill is fair and does not represent the best interests of business in Montana," said Jim Tutwiler of the Montana Chamber of Commerce. Insurance industry representatives argued that the extent of workers' compensation problems is uncertain and that a temporary solution needed to buy time until the 1991 Legislature can study the issue. They threw their support behind Senate Bill 5 by Sen. Gene Thayer, R-Great Falls. His measure offers a short-term solution and would allow no more than a 7 percent premium increase this year. Thayer said the Legislature does not have to adopt a long-range plan for eliminating the shortfall in the program and needs only to ensure it remains solvent.

He acknowledged his bill is a "Band-Aid approach," but said that is better than locking the state into the multimillion-dollar debt of the bonding proposal.

"It's dead on arrival in the House," predicted Glaser. "The House won't take Band-Aids. Everybody says we'll fix it tomorrow, but tomorrow's here."

He said the House would allow the scheduled premium increase to occur rather than approve Thayer's bill.

But the chances for Glaser's bill may have dimmed with a report by an official from state Insurance Commissioner Andrea "Andy" Bennett's office.

Enactment of the elaborate bonding plan in HB2 will not prevent the need for a huge premium increase this July, said Randy Nordquist, an insurance financial expert.

The state fund's rates are already so low that even without the burden of the deficit, a 60 percent rate increase will be needed, he said.

Fund officials have estimated only a 7 percent raise will be required.

Better access
to committee
info granted

Helena
**INDEPENDENT
RECORD**

Session's first law goes

Meanwhile, Helena's Loble is confirmed as new chief

By BOB ANEZ
Associated Press Writer

The Senate passed and sent to the governor Wednesday a bill authorizing the use of inmates to build a new cell block at the state prison.

The measure, the first to pass the special legislative session that began Monday, is designed to head off any further legal action over the controversial \$1.2 million construction project.

House Bill 1 was approved 40-10 with little debate.

The Senate also confirmed the appointments of a Supreme Court justice, three district judges and a new chief water judge.

C. Bruce Loble, a Helena attorney, was confirmed unanimously as new chief water judge. He replaces W.W. Lessley, who died

earlier this year.

The inmate bill was opposed by organized labor, which claimed that using prisoners for the work was taking needed jobs away from private business and their employees.

All but one of the five judicial confirmations were noncontroversial.

Sen. J.D. Lynch, D-Butte, criticized the system by which Justice Diane Barz did not have to face an election in 1990, even though her predecessor's term was to end this year.

A lawsuit over the issue of judicial elections was settled this spring when the Supreme Court ruled that appointed judges do not have to stand for election until after confirmed by the Senate. The deadline for candidates to file for office was March 22, so despite Wednesday's action the high court seat won't be on the November ballot until 1992.

Lynch suggested there was "political

game-playin' Gulbrandsen that allowed years before Sen. Bruce dietary Com mation of t were "not li Barz was fellow Butte no. Lynch la saying he w did not mes Unanim judges Mau thy McCart Bozeman. McCarter judges.

Panel hears privatization

By BILL LOMBARDI
IR State Bureau

Organized labor told a House panel Wednesday it wants to be more involved in the Stephens administration's privatization efforts, which labor representatives say shouldn't be made just to provide services at bargain-basement prices.

Administration officials, meanwhile, defended Gov. Stan Stephens' privatization efforts, which they said would only be made when it can be documented that such ventures mesh with state law and clearly save taxpayers money.

Both parties' comments came during an informational meeting of the Democrat-controlled House Labor and Employment Relations Committee, which provided one of the first venues to air Stephens' plans to give government jobs to private business when long-term savings can be made without jeopardizing quality.

While labor opposes the administration initiative, union representatives said they want to be fully apprised of efforts to privatize public service jobs.

"The threat of privatization is a gun to the head of state em

ployees," said Jim Murry, executive secretary of the Montana State AFL-CIO. "We don't think doing it cheap is always the best policy."

Murry also urged the administration to make public recommendations by the Montana Ambassadors, a statewide group of businessmen, on ways state services can be privatized. The administration released the report Wednesday, and the governor said officials will review the recommendations.

But Dave Darby, Stephens' budget chief, told the committee the state must look for ways to save every penny because it faces a budget deficit in the next biennium.

He also said the governor is committed to a thorough evaluation of the upcoming budget and exploring who can best perform state services.

"If it's appropriate and it is cost-effective — it will save taxpayers' money — then we ought

Report: Ripe

The report by the Montana Wednesday by the Stephens administration a key priority to

One recommendation proposed by Fish, Wildlife and Parks is "non-essential" to the state's management of state parks also should

The state Department of Ins women's prison, if one is built. The report also recommends that sales should be the top privatization efforts.

The state Department of So could privatize its child support the state Department of Family management of development groups or other organizations

to take a serious look at it," Darby said.

He added the administration supports notifying employees in advance of moves toward privatization so employees can plan

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TUESDAY, MAY 29
WEDNESDAY, MAY 30
THURSDAY, MAY 31



of bags suspended an live firing of 16-inch, 50-caliber guns, until further notice," the Navy said.

"The firing suspension is due to an unexplained ignition of 16-inch, 50-caliber powder bags during Navy testing at Naval Weapons

The General Accounting Office, the congressional investigating agency, hired Sandia to evaluate the testing done by the Navy

(More on IOWA, page 8A)

Blast that killed 47 sailors.

ees honored



THANKS — Eleven teachers and emstees were honored at a luncheon at the Colonial Inn. Those honored were: Ann Benjamin, John Campbell, Marcy Carroll, Lois Champlin, Ray Champlin, Shirley Clearman, Mary Alice Harrell, Hazel Johnson, Diana Loble and Jerry Roth and trustees Mignon Waterman and Paul Stahl. (Staff photo by Gene Fischer)

us gun policies

je locks up arms/8A

rifles, shotguns and kept in dormitories guns are not allowed

kept in lockers contents, according to the handbook. Guns can be stored owners show, according to the policy of Montana has a

Lewis and MSU spokeswoman Marilyn Wessel said there was no record that Brett Byers, the suspect in last Tuesday's fatal shootings of Brian Boeder, 19, and James Clevenger, 19, had registered a gun with the university.

However, the university has not yet checked the serial number of the weapon to see if it was registered at all, Lewis said.

Residents of Langford Hall have said that Byers, 19, allegedly kept the short-barreled 12-gauge in his truck.

Wessel and Lewis said they had heard few comments about changing the policy since last week's shootings.

Lewis had no idea how many guns are registered on campus.

Work Comp solution still possible

By BOB ANEZ
Associated Press Writer

Reviews were mixed Thursday night after a joint conference committee began work on finding a compromise for at least a temporary solution to the financial woes of the state workers' compensation program.

House and Senate members offered alternatives to the competing proposals passed by each chamber during the four-day special legislative session, but the panel took no action.

It will resume negotiations today.

"I saw movement," said House Democratic Majority Leader Hal Harper of Helena, one of the committee members. "We're getting somewhere. You can sense the concern of the Senate on the work-comp issue."

When asked whether agreement was in the wind, Republican Sen. Gary Aklestad of Galata, committee chairman, said, "It's way too early to probably tell."

Resolving differences between the two proposals depends on the willingness of House members to retreat from their demand for a long-term solution that includes issuing bonds to raise needed money for the program that insures injured workers.

"The Senate is very leery of any bonding proposal," Aklestad said. "The door isn't open very wide on that."

Workers compensation is one of two issues that remains unsettled in the session. A similar conference committee is trying to hammer out agreement on changes in oil and gas taxation.

The House passed its workers compensation bill Tuesday. The measure would allow the sale of up to \$220 million in bonds to eliminate the State Compensation Mutual Insurance Fund's "unfunded liability," or lack of money to cover all existing claims of injured workers.

It also would enact a payroll tax on employers to pay off the bonds over 30 years.

Supporters say the plan not only would create a permanent means of erasing the estimated \$207 million deficit, but also would head off a 24 percent premium increase scheduled for July 1.

Critics said the process is too lengthy and costly and unfairly impacts even those employers not covered by the state fund.

The Senate on Thursday adopted a proposal that would not address the deficit and would limit any premium increase this year to 7 percent.

(More on WORK COMP, page 8A)

Inside

■ Oil, gas tax bill deadlocked. 3A

■ Judicial nominees 'gently' grilled by Senate. 6A

■ 1991 session may tackle forest taxation. 3A

s profits complains

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□ Math students honored. 4A

Memorial Day weekend events are scheduled

Saturday

Noon — Salvation Army Youth Home Band, 2nd Annual

- "Stripper" oil production, 5 percent. A stripper well produces less than 10 barrels of oil per day.
- Oil royalty owners, 12.5 percent. Royalty holders own mineral rights to the oil, and generally are not involved in its production or sale.
- Regular natural gas production, 15.25

Montana needs to encourage its development. "The Senate Republicans are trying to keep that industry in Montana," he said. "I don't think we should start criticizing Republicans for trying to save the industry in this state."

Democrats generally argued that the industry was getting a tax cut because the flat tax

system of funding public schools. The Legislature set rates for the new flat tax on oil and gas production when it passed the school funding bill, but those rates turned out to be too low.

Adjusting those rates was part of the agenda of the special session.

Work comp

Continued from Page 1A

Jack Ramirez, R-Billings. "It's an incredibly expensive approach to take."

"All we got was a Band-Aid for next time," said Rep. John Cobb, R-Augusta.

"Well nothing's perfect," acknowledged Republican Rep. Bill Glaser of Billings, one of the architects of the measure. "We may not be able to come up with all the bucks to do the cheapest job, but there's always tomorrow."

Other supporters of the bill admitted it leaves something to be desired and the problems of the workers' compensation program still will confront the 1991 Legislature.

Sen. Gene Thayer, another author of the bill, said the measure offers a long-term solution without locking the state in to a lengthy debt through the sale of bonds.

"We haven't solved everything, but we've certainly put the machinery in place," the Great Falls Republican said. "We're not painted in a corner; there is nothing that is binding."

House Bill 2 passed the Senate 49-0 and was approved by the House an hour later 67-33.

THE PLAN WAS developed by members of the conference committee after the Senate made it clear they would not accept any solution that relied on issuing tax-exempt bonds.

A bill containing such a mechanism was backed by the governor and passed the House by a wide margin.

The measure would have separated the State Compensation Mutual Insurance Fund from the unfunded liability, or the amount

of money needed by the fund to cover all outstanding claims of injured workers. It would have allowed the Board of Investments to sell up to \$220 million in bonds to pay off the shortfall and would have authorized an employer tax to retire the bonds over 30 years.

But critics said that committed the state to a three-decade debt and, led by business leaders, they advocated a temporary solution until the 1991 Legislature can come up with a long-term answer.

The compromise hammered out by conference committee still separates the deficit from the state fund as of July 1. An employer tax of 30 cents per \$100 of payroll that is scheduled to end in mid-1991 will continue at a rate of 28 cents.

The tax will bring in about \$13.3 million a year and, coupled with premium payments from the 27,000 businesses covered by the program, will create a surplus that can be loaned to pay off the deficit. The money will be repaid at 7½ percent interest.

THE PROPOSAL accomplishes one of the major reasons for workers' compensation being considered in the session — it heads off a 24 percent increase in premiums scheduled for July 1. Instead, state fund officials estimate a 9 percent increase will be needed.

Patrick Sweeney, head of the state fund, said the bill is good for policyholders because it avoids the big premium increase planned for July.

The Legislature's plan is more costly than the bond sale preferred by the fund, he said, and that may cause lawmakers to change their minds in the future.

"There may come a point in time where the Legislature may ultimately grant us the authority

to bond," Sweeney said.

THE CONFERENCE committee worked on the bill for four hours, with the only real disagreement over whether the fund should have to abide by state laws in developing its administrative regulations.

Killers

Continued from Page 1A

kitchen cabinet, another in a bedroom closet and a third in a hollowed-out mattress.

Then, the boys fled to Idaho after stealing gasoline in Missoula and robbing a cafe in Superior.

They were caught in Wallace, Idaho, driving Mrs. Gibson's car, and returned to Montana by juvenile authorities and two police officers. The boys were laughing and joking with each other, observers said at the time. Neither requested permission to attend the funeral of his mother.

Their sentences end when they reach age 21 because of state law that existed at the time of the killings. The law said juveniles under the age of 16 could not be tried for felonies in district court. The law said they must be released from custody at age 21, and the crime wiped from their records.

The notoriety of the case led the 1985 Montana Legislature to change state law governing juveniles who commit violent crimes.

The new law allows juveniles under age 16 to be tried as adults in district court, subjecting them to state prison sentences or transfers to the prison when they reach age 18 in the Pine Hills facility, Davis said.

A former Pine Hills resident, Jim Chinadle of Havre, was in the same cottage with Horvath and Gibson in 1987.

Chinadle said after Horvath was released, he traveled to the Hi-line area and then to Seattle, after leaving some of his belongings

in Chinadle's basement.

Thayer and Sen. Gary Akstad, R-Galata, along with state fund officials, argued that the agency should be mostly exempt from the law. They eventually conceded to House Democrats clearing the way for the agreement.

Chinadle contacted the *tana Standard* after he emerged through a trunk Horvath left. He found clippings of articles about Horvath and son that had been published in the Butte newspaper.

Chinadle said Gibson discussed the killings with him while two were in the juvenile boy facility.

Gibson is no longer being at Pine Hills. He has been released to a work furlough program in North Dakota, but reports to the school on a weekly basis.

Davis initiated the furlough program for Gibson to allow time to find a job and readjust to society.

Davis, meanwhile, said he hopes for Gibson's success outside the walls of Pine Hills.

"He's worked in the program here, completed high school college courses and played basketball for three years."

CORRECTIONS

If you spot a mistake in this call the city editor at 442-7

A news release from Baucus' office printed Friday's paper referred to "Billie Jean Hill, founder and director of the Helena Head Program..." Hill is the former director. Royal Johnson has been director since January 1989.

News Release from Your Adventure Travel

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lowed the project and the threat of a court order halting work prompted the special session to act.

The bill sailed through both

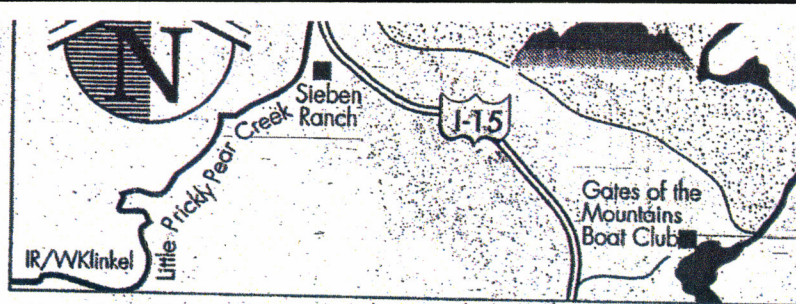
Educator says ed bashing must end ■

BILLINGS (AP) — The United States will experience a shortage of 1 million teachers in public education during the next decade, the chairwoman of the American Association of State Colleges and Universities said Friday.

Betty L. Siegel, also president of Kennesaw State College in Georgia, said teachers are constantly being criticized and poorly paid, and many are turning away from education because of it.

"The message is we must honor education, restore the centrality of

houses by Wednesday, marked by the expected opposition of organized labor and a promise that the question of using inmates on such jobs will be debated in 1991.



Holter Dam on the west side of the Missouri River.

Gayle Joslin, a wildlife biologist for the state Department of Fish, Wildlife and Parks (FWP) said Friday that two of the sheep are headed north and may leave the area. Another, she added, has died. As far as Joslin knows, the remaining 32 sheep are settling in.

The plan is to add about the same number of sheep to the population during a similar effort next winter. Joslin hopes the result will be the

Transplants increase sheep population

The last time biologists estimated Montana's bighorn sheep population, they figured about 5,500 sheep lived in 40 herds scattered throughout the state.

That count, done in the late 1980s, shows a "significant increase" from 30 years ago, when an estimated 2,500 head and 20 herds called Montana home, said Glenn Erickson, the chief of the Management Bureau of the state Department of Fish, Wildlife and Parks.

Erickson said the increase is due to transplants similar to the recent one in the Sleeping Giant area.

Since the late 1950s, between 1,500 to 2,000 sheep, mostly from the Sun River area along the Rocky Mountain Front, have been relocated to start new herds. The growth of those herds caused the increase, Erickson said.

Historically, almost all of Montana was home to bighorn sheep, he said.

Work-comp deductible

Bill would require an injured worker to pay part of treatment cost

■ Reform proposals abound./8A

By LEN IWANSKI
Associated Press Writer

Injured Montana workers who receive state workers' compensation benefits should pay part of their medical and hospital costs, a Kalispell lawmaker said Saturday.

"That will be a hotly contested provision" of a bill Sen. John Harp, R-Kalispell, plans to introduce in the Senate, probably by the end of January, Harp said in an interview.

His proposal calls for the worker to pay 20 percent of the first \$1,000 in medical and hospital charges; and 10 percent of the next \$4,000.

Under the current law, there is no "deductible" in the state workers' compensation insurance plan. It covers the entire cost of doctor and hospital care from the first dollar.

The deductible would reduce the state's share of payments; and Harp said the out-of-pocket expense would discourage people from filing "frivolous" workers' compensation claims.

Premium hike

Employers can expect another increase in premiums for state workers' compensation insurance coverage on July 1st, the president of the state fund says.

Patrick Sweeney did not say by what percentage the rates might go up, but he told the House Select Committee on Workers' Compensation: "For the foreseeable future you're going to be looking at double-digit rate increases."

The expected increase would come just six months after a 5 percent rate hike that took effect Jan. 1, the fifth time the board had raised the premium rates since the "new" fund was created. Over that time, premiums have increased an average 68 percent.

What's more, Sweeney told the lawmakers Friday, any rate increase will have an additional 5 percentage points tacked on, a strategy recommended by the state fund's actuary to help erase the estimated \$42 million deficit in the 2½-year-old "new" work-comp fund.

Harp said the bill also will include provisions for "managed care," in which one health care provider, typically a physician, is designated to manage an individual's treatment and coordinates any other medical or rehabilitation treatments receives.

It's official: Saddam blinks

WASHINGTON (AP) — Military action against Iraq was averted Saturday as the White House said Saddam Hussein had "backed down" and dispersed anti-aircraft missiles threatening allied patrols in southern Iraq.

But even as the crisis was defused, White

threat.

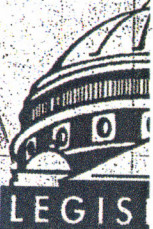
"All available evidence indicates that Iraq is acceding to the requirements of the coalition's Jan. 6, 1993, demarche," said White House Press Secretary Marlin Fitzwater.

The United States and its allies gave Iraq 48 hours to stop violating the no-fly zone south of the 32nd parallel and to remove surface-to-air

since then and the missiles "persed and are no longer threatening flight operations," Fitzwater said.

"Once again Saddam Hussein backed down in the face of coalition pressure," Bush spokesman said in a written statement.

But Fitzwater and Pentagon officials emphasized that the warning the



LEGISLATURE

THIS

■ Gov. ... will give his State speech chambers at day. The sp televised liv Montana net
■ The reform bill, w a 4 percent expected to b in the Senat by Senate Mi Bruce Crippen

■ Bills to tal and nursin functions of th stitution at G heard by the nance and Cl mittee Friday.

Work-comp pack heard today

By CHARLES S. JOHNSON
IR State Bureau

The House Labor Committee today will take up a package of 13 bills aimed at overhauling Montana's deficit-plagued workers' compensation system.

The hearing, which begins at 3 p.m. in the old Supreme Court chambers of the Capitol, will focus on the measures approved by the House Select Committee on Workers' Compensation.

The Labor Committee will be asked to consider the bills as an integrated package, although members will be able to segregate a bill for a separate vote if they don't like it, according to Rep. Chase Hibbard, R-Helena, who has headed the select committee. The Labor Committee is expected to vote on the measures Thursday.

"On the whole, I feel we have a well-rounded potpourri list of proposals here," Hibbard said in an interview Monday.

But Hibbard warned that the package won't "absolutely solve our workers' compensation problems in Montana" because that can't be done overnight. He noted it took years for Montana's system to get into trouble, and it will take time to straighten it out.

"I see it as a significant step in reversing

this trend," Hibbard said. "But it takes a long time for any major reforms to actually kick in because of the long 'tail' in workers' comp."

If the Legislature passes the entire package, Montanans shouldn't expect work-comp premiums to go down immediately, Hibbard said, because this will take some time.

But Hibbard said he is encouraged by the bills that have been presented by various study committees and other groups.

He said they include proposals covering these broad topics:

■ **Modifying or restricting access to work-comp benefits.** This includes his own House Bill 561 and parts of HB622, sponsored by Rep. David Ewer, D-Helena.

■ **Containing medical costs.** These include SB347, by Sen. John Harp, R-Kalispell, and HB624 Rep. Howard Toole, D-Missoula.

■ **Promoting workplace safety.** Harp's SB163 would increase the emphasis on safety by employers and employees.

■ **Cracking down on work-comp fraud.** Bills aimed at going after fraud by employers, employees and providers include Harp's SB164, HB453 by Rep. Brad Molnar, R-Laurel, and parts of Ewer's HB622.

■ **Limiting work-comp attorney fees.** Harp's SB394 would limit how much in fees

that lawyers representing injured workers as well as employers and insurance companies could collect.

■ **Paying for the unfunded liability in the State Fund's "old fund."** The select committee endorsed two bills aimed at helping bail out the "old fund," which covers accidents that occurred before July 1, 1990. These are HB504, by Rep. Steve Benedict, R-Hamilton, to impose a payroll tax of 0.5 percent on both employers and employees, and HB672, by Ewer, to impose a 0.03 percent on employers to pay for a bond issue to finance the debt.

■ **Improving the management and operation of the State Fund's "new fund,"** which covers injuries since July 1, 1990. The bills include Benedict's HB13, which would provide more autonomy to the fund and give more flexibility to hire additional staff, and Ewer's HB622, which would require its board of directors to adopt a business plan with financial and operating performance goals for the senior management to meet.

■ **Implementing some general reforms.** These include Hibbard's HB511, which would require the creation of a work-comp data base, HB 587, by Rep. Hal Harper, D-Helena, to revamp the way a panel classifies occupations and rates them for premiums, and parts of Ewer's HB622.

Veteran prefer n home to health p

By DAVID FENNER
IR State Bureau

Veterans groups Monday waged war on Rep. Ernsagel for his proposal to state provide veterans a care program rather than ground on a new veteran home in Glendive.

Lobbyists for groups of the Veterans of Foreign Eastern Montana Veterans and American Le with lawmakers and Rep trying to shoot holes in it which is sure to provoke stormy debate on the Ho today.

"Mr. Bergsagel's alter present a program that I is not workable, but soun to the public, is to get hi hook for not supporti struction of the Eastern Veterans Nursing Home, Willie Day, of the Easter tana Veterans Committee Joe Brand, state legisl chairman for the VFW, I that veterans groups we even consulted about Be proposal ahead of time. bushwhacked," he said.

BERGSAGEL'S REPI
They're blowing smoke He proposes that he spend \$300,000 per year i chase insurance for him care for veterans or, wh be, nursing home care i facilities. He said the pr an affordable way to car least 175 veterans per ye enable them to maintain ties with family and hom His proposal has been ed into House Bill 46, wh poses to earmark 2 cents tax on packs of cigarette veterans' care. The bill spend \$2 million of the p in the 1994-95 biennium f tion of the veterans' hom lumbia Falls and the ren \$600,000 for the program.

DAY: WHO SAID vets groups who said the nursing questioned the viability (sagel's plan.

Day figures the cost of under the program at ab million in the biennium. doubts any insurance co will take on so much liat a \$600,000 premium.

But Bergsagel said his posal is based on a quote nationally recognized, hi rated insurance firm. He that the state would seek petitive bids from insur proposal survives the se Bergsagel, R-Malta, h budget committee that r mended a two-year delay struction of a planned 90 veterans home in Glendive state has set money aid building the facility, but, panel felt that in these n financial times the state c ford to operate a second ans' home.

BILLS DIGNITY

BRIEFS

No-caboose law patched up

A House panel Monday passed a bill to fix flaws in a Montana law requiring trains without cabooses to have electronic rear-end safety devices when crossing mountain passes.

The law, enacted by the 1991 Legislature, was thrown out by a federal judge last fall after a challenge by Burlington Northern Railroad. The court held that the state law didn't jibe with federal law.

Senate Bill 249 would allow Montana to require the devices only "to the extent permitted by federal law."

A federal government review of railroad safety standards may result in legislation at Congress to require the devices at certain times.

House rejects judicial salary bill

By a one-vote margin Monday, the House defeated a bill that would have helped raise judicial salaries in Montana, where judges are paid less than in any other state or U.S. territory.

Representatives voted 40-49 against Senate Bill 336, which would have qualified judges for the average percentage pay raise of other state employees. The Legislature hasn't decided yet whether state employees will get raises.

"From a market-based perspective, they're not asking for much," Rep. Duane Grimes, R-Clancy, said of the judges. Grimes sponsored the Senate bill and tried unsuccessfully to re-vote it after the one-vote defeat.

Child support, lawsuit bills passed

Bills intended to boost collection of child-support payments and to help finance a state pollution lawsuit passed the House on Monday and will go to the Senate.

Representatives voted 66-32 for House Bill 482, which would add new teeth to the child-support enforcement law.

Under the bill, courts could order the yanking of state licenses held by parents who are at least six months behind on support payments. Included would be drivers' licenses, and professional and occupational licenses.

The House voted 80-14 for a bill allowing the state to borrow \$7.6 million from the coal tax fund.

The money would be used to finance the state's lawsuit over mine pollution in the Clark Fork River basin. Most of the money would go to repay the state's \$5 million put toward the legal action.

Driver's ed money may be diverted

Vo-ed, 'gifted' programs the recipients

By BOB ANEZ
Associated Press Writer

School officials from across the state found themselves at odds with one another Monday over a bill that diverts money from "one program to keep two others operating."

The proposal by Rep. Royal Johnson, R-Billings, would use \$800,000 a year in dryer education funds to finance vocational education courses and gifted and talented programs.

The vo-ed program would get \$650,000 annually and the gifted and talented program would receive \$150,000.

Johnson introduced the bill after his joint budget subcommittee voted to eliminate money for the two programs. The House Appropriations Committee endorsed that decision last week.

In Monday's hearing before the committee, Johnson acknowledged his bill leaves none the three affected programs whole.

"It doesn't do a great deal for any one of the three programs but at least it keeps them all in operation," he said. "This isn't going to keep them well, but it is going to keep them alive."

Driver education programs get about \$1.6 million a year from the state, mostly from traffic fines. The bill cuts that in half.

Vo-ed courses have received \$800,000 a year and the measure would leave them with about 20 percent less. Gifted and talented programs get about \$450,000 a year and would end up with \$150,000 less.

Bill Jimmerson, a vo-ed teacher at Conrad High School, said such programs deserve to be continued because they can reduce social costs later. He estimated that only about 4 percent of vocational graduates are without jobs, while 17 percent of those without such training are unemployed.

Supporters of driver education argued against the bill.

Jim Carroll, a driver education teacher from Conrad, stressed the safety issues taught in such courses.

"This is a very important life-time skill that we're teaching these young folks," he said.

He and other opponents of the bill criticized it for pitting important programs against one another in the battle for money.

"This is a rob-Peter-to-pay-Paul bill," said Michael Bloom, assistant Helena police chief and spokesman for the Montana Chiefs of Police Association. "The traffic money should stay with traffic."

The committee did not immediately act on the bill.

ment districts; HB613, Lower, generally revise government, general obligation and revenue bonds.
29. Gilbert, establish agency liquor store lease act; HB402, Stutz, revise time for selling personal property tax; HB490, Orr, gasoline tax on all gasoline imported into HJ3, Gilbert, house joint revenue estimates evolution.
WEDNESDAY, March 17
House Judiciary, rm 312-1, 9 a.m. — SB179, sitans, allow private for-profit corporations contract for pre-release centers; SB294, Vanenburg, abolish certain notifications of releases from confinement; SB323, Christiansen, incarceration program; SB344, Waterman, ly presentence evaluations; SB406, Barnett, ly domestic abuse laws to other persons.
House Natural Resources, rm 325, 3 p.m. — 2. Devlin, revise atmospheric weather modification application and permit processes.
36. Yellowstone, dangerous waste siting act; House State Administration, rm 312-3, 9 a.m. HB613, Menahan, requiring probationers and use to pay a surplussary fee; SB222, Fritz, icing Columbus Day with American Indian Day as state holiday.
House Taxation, rm 437, 6:15 a.m. — HB671, et, bipartisan revision of income taxes and oration taxes; HB600, Roem, change low in energy loan from tax credit to rate based; 12. Adelsrud, clarify tax exemption of benefit of property of port authority.
House Business, rm 410, 10 a.m. — HB371, also, revise exam for licensed public accountants; HB383, Brandewie, generally revise of Realty laws, request an education act; HB449, Brookes, amend farmer's market us from food establishment licensure.
House Education, rm 325, 3 p.m. — HB202, is, generally revise laws related to school ic accounting procedures; HB577, r, constitutional amendment to transfer uly system authority to Legislature.
House Judiciary, rm 325, 10 a.m. — HB272, ce, department bill with technical gambling changes; HB307, R. Osbrucker, allow Jus- dition to adopt new amendment as by rule; HB411, R. Johnson, Justice Q- ment substantive changes to gambling laws.
House Natural Resources, rm 405, 3 p.m. — 42. Knox, generally revising the metal mine imation act; HB454, Vogel, an act amending negligent siting act; HB587, Foster, cernial medical waste incinerator permitting.
House Public Health, rm 410, 3 p.m. — 07. Cobb, eliminate requirement for sursest to; HB610, Whalen, clarify enforcement au- ty of health facilities division; HJ4, Barnhart, resolution supporting insu family-nurse filioner program.
House Judiciary, rm 413-415, 8 a.m. — 13. Quail, clarification of PSC and consum- tual tax; SB426, Kennedy, revise SID and 3 revolving fund laws; SB427, Hattigan, clas- 31 limit for real revolving funds.
THURSDAY, March 18
House Judiciary, rm 312-1, 9 a.m. — SB321, sitans, revise medical parole eligibility; 71. Rye, clarify and limit auto insurers' liability insured; SB362, Waterman, revise child support enforcement; SB408, Christiansen, and the Montana child and developmentally d abuse prevention act.
House Business, rm 410, 10 a.m. — HB441, bain, revise water well contractor discipli- procedures; HB594, Larson, clarify beer, wine license transfer obligations for credit chases; HJ16, Quail, resolution urging nati- al designation for Butte-Arizona area; 3. Gervais, resolution urging Glacier Park and National Park Service to support local com- munity.
House Fish and Game, rm 402, 3 p.m. — 76. Endy, constitutional amendment to ex- 1 right to bear arms for lawful hunting and ection use; HB507, Elliott, allow lease of a land to FWP for public recreation areas or ipate.
House Highways, rm 410, 3 p.m. — HB572, An, revise GVW fee schedule; HB506, Ellis, ing restrictions on the movement of com- mer-hay grinders; HJ10, Gervais, joint resolution n Canada to keep port at caravan open 16 rs a day.
House Judiciary, rm 325, 10 a.m. — HB228, te, uniform interstate family support act; 135. Toole, generally revise child support en- amment law; HB508, Gervais, disposition of se, neglected, and delinquent youths; 12. O. Brown, administration of McDonald use trust in Butte.
House Local Government, rm 405, 3 p.m. — 132. Wyatt, exempt sale of municipal prop- erty by tax deed from voter approval; 375. Brandewie, prohibit zoning discrimi- against manufactured housing; HB479, Lar- economic impact statement, required for new rulemaking; HB481, Wyatt, uniformity of centage of signatures for local government- ions; HB594, Brookes, extending time period rotest against a WDO and requiring an annu- erate Taxation, rm 413-415, 8 a.m. — HB92, by, amend state-tribal cooperative agree- nts act specifically for taxation; HB350, son, revise coal lease and mineral prop- erty; HB437, Harrington, revise definition of nat ume for low-income property tax relief

Who to call

FOR 24-HOUR weather information from the National Weather Service in Helena, tune 162.4 MHz on your weather radio or call 443-5151.

FOR ROAD conditions in the Helena area, call 443-5151.

Highs and lows

MONTANA	H	L	P
Bellevue	53	32	
Billings	53	28	03
Boulder	51	32	
Bozeman	54	31	01
Butte	46	34	1
Calhoun	46	18	
Glasgow	46	27	1
Glendive	60	32	1
Great Falls	62	31	34
Harlem	29	27	1
Helena	54	32	10
Kalispell	42	31	16
Leavitt	49	34	01
Missoula	61	30	1
Missoula	59	34	04
Townsend	48	31	
White Sulphur	47	33	13

Rain, snow in Northwest

By The Associated Press

Rain and snow spread across parts of the northwestern quarter of the nation Monday, and record cold extended from the Great Lakes and New England to the southern tip of Florida.

A low pressure system over western North Dakota and a cold front entering the Northwest from Canada were responsible for the rain and snow. The front was expected to continue sagging southward and reach the central Colorado Plateau and central Rockies today.



Moonrise in Helena: 3:13 a.m.
Percent of full: 42 — waning

through Great Falls, the temperature fell 24 degrees in two hours.

A winter storm watch is in effect for Tuesday through Wednesday morning for the mountains of northern Utah. Strong southerly to southwesterly wind prevailed